RV BUSINESS

C8150-2
TLE1 20814 069100 STA
*C 9007 958 BYC
JEANNE LONG **
ACQ EDITOR **
CONGRESSIONAL INFORMATION SV
420 EAST WEST HWY 800
BETHESDA MD 20814 , 1990

HARRISBURG SHOW: The Pennsylvania Recreational Vehicle and Camping Association's RV Expo' 91 promises to be even bigger and better than last year's sold-out show.

7 RVIA Survey Profiles RV Loan Trends

7 Starcraft Restructures Debt, Leadership

7 RV/MH Hall Of Fame Has Grand Opening

8 President of Champion Resigns

8 New Models Debut at South Bend

9 Thor Sues Rexhall for $10 Million-Plus

9 Used-Market Pace Outdoes New Sales

9 Champion Has Upgraded EuroPremier

10 Sony Markets Trans-Aire In Japan

11 Wally Byam Club Featured On NBC Show

11 Fleetwood Has First Coleman Dealer Meetings

RVDA Takes a Stance on Warranty Issue

Seeking to address a long-standing conflict between RV dealers and manufacturers, the RVDA board of directors has approved a "Warranty Position Paper" on recommended manufacturer-dealer warranty policy.

The RVDA paper notes that the association's aim is to establish an "efficient warranty repair or replacement program" that provides "timely" solutions to RV owners' warranty problems. It also pledges that dealers and authorized factory-service centers will maintain fully equipped facilities and trained personnel "to make repairs efficiently."

More specifically, the paper outlines the following areas in which dealers would like to see more cooperation from RV manufacturers:

- Warranty labor rates paid by manufacturers and suppliers should be the posted retail rates as charged by the authorized dealer or service center.
- Prior approval of warranty work should be required only when the cost of parts and labor exceeds a specified amount. The RVDA suggests setting that mark at "the equivalent of two hours of labor per problem."
- Warranty claims should be paid promptly within 30 days unless other arrangements are made in advance.

Also included in the paper are suggested guidelines for the return of defective parts, reimbursement of shipping charges on parts and a recommendation that "whenever possible manufacturers or suppliers should use parts that have at least a 12-month warranty and should maintain toll-free numbers to expedite warranty-claim approval."

Although RVDA intends to make another attempt at finding a common meeting ground for dealers and manufacturers on warranty issues, Robert Strawn, executive vice president of the RVDA, said the dealer association decided that the position paper was necessary because of "the simple fact that dealers are losing their shirts on warranty work."

Strawn added, "The factory people tend to take a narrow view when they look at the dealer's warranty costs. They figure that the dealer has a service guy for whom he is paying $8 to $10 an hour, and they recognize that the dealer has some additional overhead costs. But, they don't take into consideration all the employee-benefit costs, the cost of the real estate, training expenses, utility costs, insurance and the cost of supervision. The manufacturers have no idea of the total cost. I think

continued on page 10

RV BUSINESS

VOLUME 41, NUMBER 12 | SEPTEMBER 17, 1990 | TWO DOLLARS

15

31

COVER PHOTO COURTESY OF HARRISBURG CAPITAL REGION CHAMBER OF COMMERCE

NEWS AND TRENDS

Industry News ____ 7
RV People ____ 15
RVIA Shipments ____ 16
At Retail ____ 19

FEATURES

Harrisburg Show Guide ____ 23
This special section offers attendees at the Pennsylvania Recreational Vehicle and Camping Association's RV Expo '91 in Harrisburg, Pa., a detailed calendar of events, exhibitor lists and floorplans.

Money to Grow on ____ 31
Loans for expansion are harder to come by these days, but a dealership with a solid track record and a good growth plan can still find many capital-financing sources, including the local bank, the federal government and private investors.

Insurance Coverage ____ 37
Insurance and industry experts discuss how much insurance and what types of coverage the average dealer needs to protect his business from risks that range from tornados to bad checks to product-liability suits.

DEPARTMENTS

Calendar ____ 42
Profitmakers ____ 43
In Brief ____ 44
Classified Advertising ____ 48
Readers' Forum ____ 49
Index to Advertisers ____ 49
Midwest Journal ____ 50

RV Business (ISSN 0744-9969, USPS 920-340) is copyrighted 1990 by TL Enterprises Inc. in the United States, Canada, Great Britain and other countries. All rights reserved. Permission to reprint or quote excerpts granted only upon written request. Second-class postage paid at Agoura, Calif. 91301, and additional entry points. POSTMASTER: Send address changes to *RV Business*, PO Box 17126, North Hollywood, Calif. 91615-7126. Address all correspondence and editorial material to the Agoura, Calif., office. *RV Business* is published semimonthly. Subscription rates: U.S. and Canada, $48 a year; $96 for two years. Foreign subscriptions, $96 a year. Single copies are $2 for regular issues and $9.95 for the directory issue. Advertising rates are provided on request. *RV Business* is published by TL Enterprises Inc., 29901 Agoura Road, Agoura, Calif. 91301, which also publishes *Trailer Life*, *MotorHome*, *Rider*, *Trailer Life's Annual RV Buyer's Guide*, *Trailer Life's Campground & RV Services Directory* and *Highways* for the Good Sam Club. TLE's Book Division currently has 10 books in print.

JUNE SHIPMENTS CLOSE A QUARTER OF IMPROVEMENT

MORTON J. MARCUS

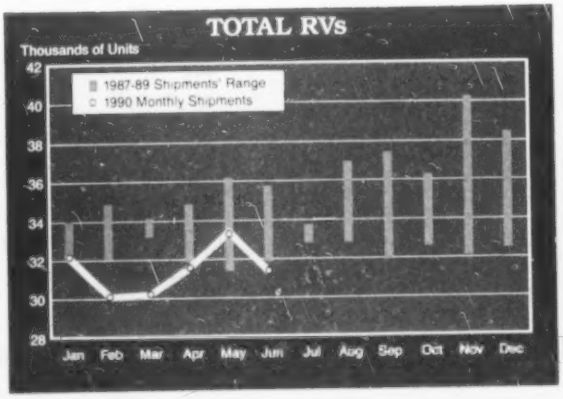


Figure 1

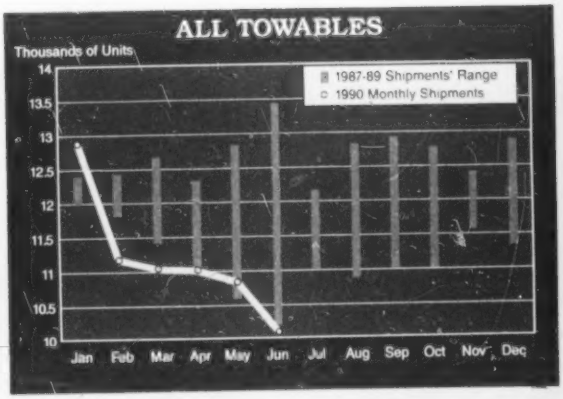


Figure 2

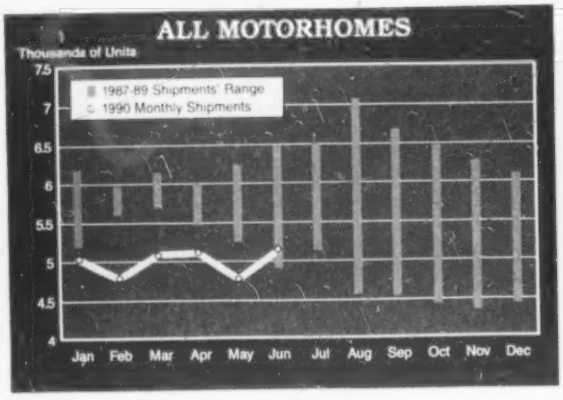


Figure 3

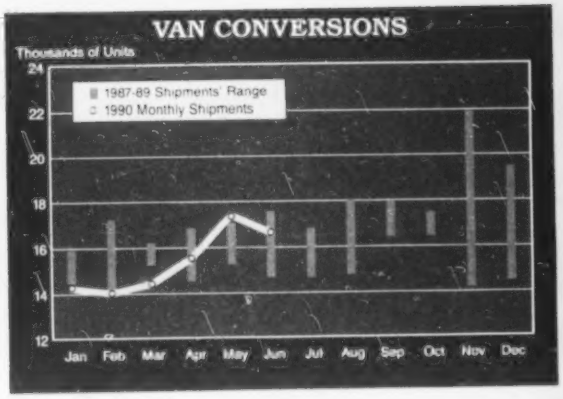


Figure 4

With the shipment data from RVIA in hand, we have a complete view of the second quarter of 1990. The April-June period showed a definite advance from the weakness with which the year opened. Total shipments, seasonally adjusted, equaled 96,880 units in the second quarter, up 4.3% from the weak first quarter. In addition, the second quarter of 1990 was marginally ahead of the same quarter of 1989, although it was still 10,000 units off the pace set for the second quarter in 1988.

The good showing of the second quarter was not the result of a strong close, however. June was an off month compared with the rising path of total shipments depicted in Figure 1. Once again, total shipments were below the range of the past three years for the month. In the first six months, only May was well within the range for its month. In addition, June broke the upward trend of the past few months with a decline of nearly 4% from May shipments.

Towables continued their downward slide in June. Once more, they were below the range for the month as established by performance during the past three years. A gradual downward trend is all too apparent in Figure 2.

Motorhomes, by contrast, finally moved into the range of recent years in June, with their best month in 1990 to date. *(See Figure 3.)* The month-to-month variations in this segment of the market have been minor and have hovered around the 5,000-unit level.

The gains of van conversions were halted in June. After several months of growth, which looked as if it might become explosively exponential, van conversions broke the pattern that seemed to have shipments headed toward 20,000 units a

GRAPHICS: CUSTOM COLOR VISUALS

month. *(See Figure 4.)* Still, the 16,600 units recorded made June the second-best month of the year, and the June level was consistent with an upward trend.

Looking at the Year-to-Date

For the year-to-date, we could say that the strength in the market has been in the towables segment, despite the fact that they have such a clear downward trend. The weakness, from this angle, has been due to motorhomes and, to a lesser degree, to van conversions. To support this argument, we point to Figure 5.

Figure 5 informs us that towables have gained market share (1.46 points), while motorhomes have dropped 0.96 points, and van conversions have yielded 0.50 points. Except for park models, all types of towables have gained market share, while only Class B van campers and Class C micro-minis have shown advances among motorhomes.

The reason for the gains in market share by towable types is twofold: Towables are running about even with their performance of a year ago and are actually ahead of a year ago in three of five categories. *(See Figure 6.)* Second, motorhomes and van conversions are both running well off their paces for 1989, giving towables the better relative record when the market share statistics are computed. How long towables can maintain this "superiority" depends only on towables outperforming the other sectors, and it should be noted that all types of towables were down in June from their May 1990 levels.

Motorhome shipments were down for the year-to-date by nearly 10%. It should be noted, however, that the motorhome lag from 1989 has been improving steadily since February, when it stood at a 16% deficit. June, in fact, was the first month in 1990 when motorhome shipments were ahead of the same month a year ago. There is evidence here of some positive momentum, although it takes a statistical magnifying glass to find it.

In June, that positive energy in the motorhome sector came almost entirely from Class A motorhomes, which were 520 units, or nearly 20%, ahead of May. The low-profile Class C units had an infinite percentage increase in June because no shipments were reported in May.

Shipments of van conversions in June were about 800 units below the May level. This was the fourth time in the first six months of 1990 that van conversions did not equal the shipments level of the same month a year earlier. The 5,130-unit deficit in conversion shipments for the year-to-date represented more than 60% of the total shortfall in 1990 through June.

PERCENT MARKET SHARE BY TYPE OF UNIT
(Year-to-date, adjusted for seasonal variation)

	1990	1989	Change
TOTAL RVs	100.00	100.00	0.00
Travel Trailers:	24.24	23.01	1.22
Conventional	14.13	13.46	0.67
Park Models	1.97	2.03	-0.06
Fifth-wheels	8.14	7.52	0.62
Folding Camping Trailers	8.46	8.35	0.11
Truck Campers	2.65	2.53	0.12
TOTAL TOWABLES	35.36	33.90	1.46
Motorhomes:			
Class A	8.98	9.43	-0.45
Class B Van Campers	1.61	1.34	0.27
Class C:	5.17	5.96	-0.78
Minis	3.99	4.91	-0.92
Low Profiles	0.23	0.43	-0.20
Micro-minis	0.96	0.62	0.34
TOTAL MOTORHOMES	15.76	16.72	-0.96
Multiuse Van Conversions	48.88	49.38	-0.50

Percentages may not add to total because of rounding.

Figure 5

Place Your Bets

At the time this article was being written, U.S. military forces were taking up positions in Saudi Arabia, and petroleum prices were rising rapidly. News reporters were seeking every doomsday forecast available. It is our hope that when this report reaches the readers of *RV Business*, the Middle East will have returned to that less-violent yet unstable level with which we have lived for 45 years.

What do the current troubles mean for business and the RV business specifically? It will depend on the responses of petroleum suppliers to opportunities presented by higher prices, and it depends on the responses of the world's major central banks (in our case, the Federal Reserve Board) to the higher inflation rates brought on by those higher prices.

The marketing strategy for RV dealers and manufacturers should be to point out that the gas price increase represents only a small increase in the *total* cost of RV ownership. Airfares, taxi fares, rental and personal car costs will all be rising with much publicity; thus, the relative costs of RV usage for the consumer may not change at all.

It is my view, as of presstime, that the Fed will accommodate the inflation; that is, the Fed will increase the money supply sufficiently to sustain or even lower interest rates.

If the Iraqi incursion ends soon, all this is but speculation akin to the fun and games on Wall Street. If the tension persists, the results need not be adverse if the industry and individual dealers face the issues directly and do not leave the "thinking" to local TV reporters, who often represent the least-informed sector of our society. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

RV SHIPMENTS BY TYPE OF UNIT
(Adjusted for seasonal variation)

Type of Units	Jun '90	Change From May '90 Number	%	Year-to-Date 1990	1989	Change Number	%
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Travel Trailers:	6,910	- 710	- 9.3	46,000	45,640	370	0.8
Conventional	4,170	- 100	- 2.3	26,820	26,700	120	0.5
Park Models	530	- 230	- 30.5	3,730	4,020	- 290	- 7.3
Fifth-wheels	2,200	- 370	- 14.5	15,450	14,920	540	3.6
Folding Camping Trailers	2,310	- 50	- 2.0	16,070	16,560	- 500	- 3.0
Truck Campers	880	- 30	- 2.9	5,040	5,020	10	0.3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Motorhomes:							
Class A	3,120	520	19.9	17,040	18,690	- 1,650	- 8.8
Class B Van Campers	470	- 120	- 21.0	3,050	2,650	400	15.0
Class C:	1,530	- 70	- 4.7	9,820	11,810	- 1,990	- 16.9
Minis	1,130	- 170	- 13.3	7,570	9,740	- 2,170	- 22.3
Low Profiles	110	110	n/a	430	840	- 410	- 49.0
Micro-minis	290	- 10	- 3.4	1,820	1,220	600	48.7
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Multiuse Van Conversions	16,610	- 790	- 4.6	92,780	97,920	- 5,140	- 5.3

Note: Data rounded to nearest 10 units.

Figure 6

MAY MARKET REMAINS SOFT

THOMAS WALWORTH

East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

As of May 1990, motorhome retail figures for the year-to-date still trailed the pace of the first five months of last year by 11.1%, but 1990 RV-trailer retail registrations lagged the 1989 market by a lower 3.53%.

It should be noted that May 1990 sales numbers for RV trailers include California registration figures for the first time this year, permitting complete comparisons of 1989 and 1990 markets. However, California motorhome retail data were still unavailable as of May, and California numbers have been deleted from all comparisons.

May motorhome figures were down by 751 units, or 16.8%, compared with May 1989. Figure 1 ranks the seven national regions by the percentage change in May motorhome sales compared with the same month a year earlier. The Mountain region was the top ranked, with Wyoming having the largest percentage gain among the Mountain states. In the bottom-ranked East North Central region, Michigan had the largest decline from May 1989.

For the year-to-date, the motorhome market, as noted earlier, was off by 11.1%, which equals a 1,977-unit decline from the total for the first five months of last year. Figure 2 lists the national regions in order of the percentage change in motorhome sales for January-May compared with the same period in 1989. The Pacific region led all others for the year-to-date, and Washington state experienced the biggest percentage gain in that region. The Northeast trailed the pack, with the state of New Hampshire reporting the largest drop.

By comparison, the RV-trailer market was down in May by 840 units, or 6.27%, compared with May 1989. Figure 3 provides a regional ranking based on the RV-trailer market's percentage change from May of last year. The Mountain region achieved the No. 1 spot, with Colorado reporting the largest percentage gain for May. In the lowest-ranked South Atlantic region, Virginia came in with the largest decline.

For the year-to-date, the RV-trailer market was down by 1,695 units, or 3.53%, compared with the same five months of 1989.

MOTORHOMES, MAY '90

May '90 Rank	Region	% of Change From May '89	Apr. '90 Rank
1	Mountain	– 6.3	6
2	W.N. Central	– 7.3	3
3	S. Central	–12.2	4
4	Pacific	–17.6	1
5	S. Atlantic	–19.6	2
6	Northeast	–21.8	7
7	E.N. Central	–22.4	5

Figure 1

MOTORHOMES, YEAR-TO-DATE

May '90 Rank	Region	% of Change Year-to-Date	Apr. '90 Rank
1	Pacific	– 1.37	1
2	S. Central	– 1.70	2
3	S. Atlantic	– 4.30	3
4	W.N. Central	–10.40	4
5	Mountain	–12.70	5
6	E.N. Central	–19.50	6
7	Northeast	–23.30	7

Figure 2

RV TRAILERS, MAY '90

May '90 Rank	Region	% of Change From May '89	Apr. '90 Rank
1	Mountain	–12.2	3
2	W.N. Central	– 8.0	5
3	Pacific	– 4.5	2
4	S. Central	– 5.7	1
5	Northeast	– 5.8	6
6	E.N. Central	–12.7	7
7	S. Atlantic	–15.4	4

Figure 3

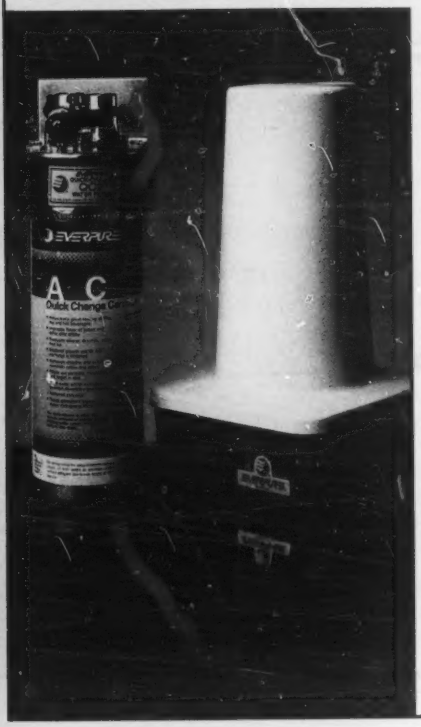
RV TRAILERS, YEAR-TO-DATE

May '90 Rank	Region	% of Change Year-to-Date	Apr. '90 Rank
1	S. Central	19.1	1
2	Mountain	7.5	3
3	Pacific	– 1.7	2
4	W.N. Central	– 4.0	5
5	S. Atlantic	– 6.5	4
6	E.N. Central	–13.5	6
7	Northeast	–14.4	7

Figure 4

GRAPHICS: CUSTOM COLOR VISUALS

DOUBLE YOUR PROFITS



Stock 'em Both

Now take full advantage of the growing drinking water market! Stock the traditional built-in Everpure water purification system and the new Countertop model. Offer your customer two opportunities for better water and double your profit potential. Both products use the same model ADC filter cartridge, so customers who enjoy Everpure treated water in their RV can bring the cartridge indoors if they winterize. This portable unit lets them have clean drinking water at home, on the road ... anywhere a faucet can be found.

Everpure has it all ... the National Sanitation Foundation's highest ratings ... fine reputation ... eye-catching packaging ... attractive consumer promotions.

Everpure products ... more profitable than ever! Call your Everpure distributor today.

EVERPURE.

Everpure, Inc., Westmont, IL (708) 654-4000

AT RETAIL *continued*

Listed in Figure 4 are the seven national regions according to the year-to-date percentage change in trailer sales compared with the same period last year. In the leading South Central region, Alabama recorded the largest increase for the year-to-date. The Northeast lagged the pack, with Connecticut having the largest decline.

Both the May RV-trailer and motorhome markets performed below their year-to-date averages, but the motorhome market was generally softer.

This weakness in motorhome sales may have been due to tight credit, which hits larger-ticket motorhomes harder. The atmosphere in Midwest markets might also be a contributing factor; in September 1990, auto workers' union contracts will expire, and strike fears have caused many workers to postpone purchase decisions. In addition, the Northeast has been very weak.

On the plus side, the industry is not far off its 1989 numbers. If late-summer and fall retail markets open up, the industry could still match its 1989 performance. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

Grope Groan Crawl & Cuss

VS.

Checking tire pressure should be easy. It's guaranteed with SpiraGage, the built-in tire gauge that rolls with the RV wheel. Precise PSI readings at a glance. SpiraGage, time-saving and a helping hand for RV tire life and fuel mileage. SpiraGage ensures proper PSI because it mounts on your air valve stem. Built to withstand the rigors of long-haul trucking, SpiraGage makes leisure time ...well, more leisurely.

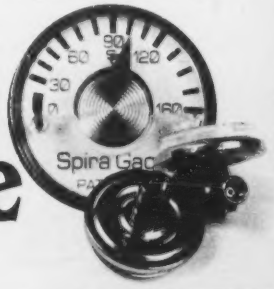
SpiraGage, the gauge of a safe motorhome.

Dealers, call United Instrument toll free for pricing guidelines.

"...with SpiraGage, checking tire pressure can be as simple as walking around the motorhome."

Bones Evers, Contributing Editor MotorHome Magazine

Just a Glance



UNITED INSTRUMENT, INC.
800/257-4243 or FAX 503/254-6115
P.O. Box 20626, Portland, OR 97220